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HON. MR. MILLS' SPEECH

4.

ON

THE BUDGET.

HOUSE OF COMMONS,

THURSDAY, 23rd March, 1882.

Mr. MILLS. Mr. Speaker, the Opposition are under very great obligations to the President of the Council for the excessive politeness with which he has treated them. He has told the House that the leaders of the Reform party are without hope, and that their resources of falsehood are very nearly exhausted. He has spoken of their incapacity; of their incompetence; and the member for Annapolis, who is on excellent terms with himself, calls them imbeciles. If those hon. gentlemen think they can give dignity to this House and strength to their party by expressions of this sort; if they think they can make vituperation serve the place of argument, we, on this side, have no great cause of complaint. Our impressions of the public taste differ from those of these hon. gentlemen. The public take some interest in the standing of the House of Commons, they have some regard for the decencies of debate. They do not confound the self-complacency of the member for Annapolis with political wisdom, nor the petulance of the President of the Council with sarcasm. We have no objection to a comparison of our success or failure as administrators, with the success or failure of our opponents. The President of the Council has boasted of the success of 1878, and the First Minister informs the country that Providence was on their side. These hon. gentlemen owe their success to misfortune, over which we had no control—over which they had no control; but the greatest misfortune to the country was the victory of the Conservative party. The period was one of darkness, not in Canada alone, but over all Christendom, and the success of the Conservative leaders was due to the calamities of the times. They told the country that it was suffering from wounds and bruises which we had inflicted, and which they, as good Samaritans, were ready to heal. Time and the revival of commerce abroad, is curing the disease, but the country now discovers that it is in danger of dying from the attentions of its physicians.

It has recently been well said by Mr. Gladstone, that during the periods of commercial depression the owls and the bats always go abroad.

Sir JOHN A. MACDONALD. Here they are at home you see.

Mr. MILLS. Now that the commercial condition of the country has improved, I think that the gigantic proportions which the owls and the bats assumed in the public minds, can be more clearly estimated. There is, Sir, a fitness of things in the success of those gentlemen during a period of darkness. It is in the night that the owls and bats come forth to seek their prey—the light is unsuited to them. The seemingly gigantic proportions which darkness gives them disappears with the light; and as they become incapable of seeing, they are themselves seen with all the more distinctness. The hon. gentleman boasts of the statesmanship of the Tory leaders. What important measure has, since Confederation, forced itself upon the attention of Parliament which these hon. gentlemen have successfully grappled with? Was it the Washington Treaty in which great interests were sacrificed, and important trusts betrayed? Was it the skill shown in putting the Fenian raids, and the raids of the Alabama upon the same footing? Was it in the temporary arrangement in relation to the Fisheries which left the headland question untouched? Was it in the skill with which the Minister of Railways succeeded in arraying the public opinion of Nova Scotia against Union? Was it the insurrection provoked in the North West? Was it in the position taken by the Minister of Public Works and his friends that the measure of the Government of which he was a member, was of so odious character, that it justified a rebellion? That hon. gentleman spoke of that measure, as one of such tyranny that the people in the North-West Territory were justified in their course, or at all events their offence was to be extenuated in consequence of the inconsiderate and arbitrary manner in which the Government had dealt with them in seeking to bring them into the Union.

Sir HECTOR LANGEVIN. Never.

Mr. MILLS. The hon. gentlemen is wrong, else on what ground did he undertake to extenuate the resort to arms against this country? On what ground did his recent colleague the member for Terrebonne (Mr. Masson), speak of Riel being entitled to the rights of a leader of a revolution, and appeal to the principles of International law in order to justify or extenuate the course he had adopted? Was it in the terms upon which British Columbia was admitted into the Union? Was it in the terms upon which

Sir Hugh Allan obtained the Charter for the construction of the Pacific Railway? Is it in the bargain with the present Syndicate? The President of the Council has referred to the Fishery Award and claims that the credit of that Award belongs to the First Minister. To the First Minister belongs the credit of ignoring the headland question, and of providing for a temporary settlement. But the success of obtaining an award of \$5,000,000 was wholly due to the skill and ability of the hon. member for Westmoreland. He managed the case very ably. The hon. the First Minister smiles at that remark.

Sir JOHN A. MACDONALD. Hear, hear.

Mr. MILLS. What would have been his position if he had been before that arbitration? The Americans offered to admit coal, lumber, and fish, free from duty for the privileges of fishing in Canadian waters. The hon. the First Minister refused this proposition. He and his friends say that the Canadians pay the duty upon the coal and lumber sent to the American market. If we look into the question, we shall find that for the period for which this treaty has to run, the Americans will have collected \$16,000,000 upon these articles. Who pays this sum? We say the American consumers; but the men of capacious minds on the other side, like the hon. member from Annapolis, the hon. member for Cardwell, and the hon. Ministers, say it is paid by the Canadian. If they are right, the First Minister has thrown away \$5,000,000 in order to get less than \$5,000,000. But that is not all. The hon. gentlemen cannot take credit for the \$5,000,000 which were received. The credit of that is due to the skill and ability with which the hon. member for Westmoreland superintended the case on behalf of this country. The United States Counsel claimed that Canada was largely benefitted by the free market with the United States for their fish. They had remitted \$2, I think, a barrel upon Canadian fish. They regarded this remission as a remission of tax paid by Canadians, and they insisted that this remission should go in reduction of compensation; and if hon. gentlemen opposite are right, their contention was unavailing. But the hon. member for Westmoreland took a different view. Being a free trader, he said these duties were paid by the American consumer; that their abolition was an advantage which accrued to the American consumer, and that they ought not to be regarded as a compensation. The hon. member for Westmoreland proved to the satisfaction of the Commissioners that he was right, and his opponents were wrong; and, if \$5,000,000 were obtained, it was largely due to this fact. What would have been the

position of the First Minister or his friends upon this question? They would have said to the American Counsel, we concur in your view; you are undoubtedly right. The Canadians paid this duty, and this is now a simple question of account. All we have to do is to ascertain the amount of duty which you would have collected under your Tariff on Canadian fish, and credit you with this sum as payment of the Award. This question must soon come up again, and every one knows that the opinions held by gentlemen opposite will put them out of Court. They cannot obtain a farthing without abandoning their views upon Protection. They could not have obtained an Award of a dollar had they controlled the affairs of this country when the Halifax Commission sat. The hon. President of the Council has referred to the railway expenditure, and the railway construction of this Government and the late Administration, and his statement is as disingenuous as such a statement could well be. He says, that when the late Government retired from office, that there was not a mile of the Pacific Railway open for traffic. That from Lake Superior to English River, ninety-seven miles were built. That now there are from Lake Superior westward, 242 miles. That from Selkirk eastward there were seventy miles constructed there; that there are now 130 miles; that between Emerson and Selkirk, there were then twenty-two miles; that there are now eighty miles; that from Winnipeg westward before the advent of the present Administration, there was no road; that now 134 miles are in operation. And the hon. gentleman has referred to their patriotic endeavors to supply the missing link. If the hon. gentleman had striven to make a statement calculated to mislead, calculated to make impressions wholly at variance with the facts, he could not have made one which would have better served his purpose than the one he made to this House. Why, of this 134 miles west from Winnipeg does the hon. gentleman pretend to say that any portion of it is completed. Does he not know that the ties are laid down without any portion of the road being graded; that, in many cases, they are laid upon the ice, and that when spring opens, when the frost disappears, the road will be impassable?

Mr. BANNERMAN. Not for 120 miles, it is all graded.

Mr. MILLS. The hon. gentleman says it is all graded; he will have an opportunity of considering that at another period.

Mr. MACKENZIE. The hon. gentleman knows that west of Winnipeg the road has been moved several miles to the south to another track. There is not a mile in use of what they pretended to have built.

Sir JOHN A. MACDONALD. That is not the point. The point is this: The hon. gentleman is making a statement that the 125 miles west of Winnipeg is not well graded, and I say it is.

Mr. MILLS. If the hon. gentleman will permit me I will state my case in my own way, and if the hon. gentleman opposite does not agree with my view, if he disputes my facts, he will have an opportunity of correcting me, as I have no doubt he will. The hon. gentleman says, that but ninety-seven miles from Lake Superior westward was open under the Government of Mr. Mackenzie. That now 145 miles more are completed. But was there nothing done upon these 145 miles before the retirement of the late Administration? The hon. gentleman says that there was not a mile of this road open for traffic. There is not a mile now. It cannot be opened until the two sections meet, and a continuous line is made. The hon. gentleman says, that but twenty-two of the eighty-five miles between Emerson and Selkirk are completed. Will he say how much was done after the accession to office of the present Administration? He knows that that road was about completed. He knows the trains were running upon it a few weeks after the defeat of the late Administration, and that nothing was done by the present Government to hasten the completion of that line. The hon. gentleman has referred to the missing link as he calls it. He does not consider it beneath his position as a Minister of the Crown to seek to mislead those about him and behind him, who prefer to be misinformed upon this subject. He says that it was not to the public advantage that a contract for the construction of the central portion should be given before the contracts already let for the construction of the ends approached completion. The country was inaccessible except by means of the two extremities, and to let the contract for the construction of this middle section at an early day, was equivalent to increasing the contract price to an enormous extent, without at all hastening the period of completion. Suppose this contract had been let two or three years earlier, what useful public purpose would it have served? How were supplies to be taken in there? Even as it was, there are instances of provisions having to be carried for thirty miles on the backs of men over muskegs, and through swamps and lakes, and what would have been the difficulties at a still greater distance from any proper base of supply? Would not tenders for construction have been necessarily confined to those contractors who controlled the existing means of ingress to the country? I have seen it estimated, that it would have cost from 10 to 15 cents a lb. on every crow-bar,

shovel, spade, pick and barrow, taken at the nearest point of operation, and yet the hon. gentleman expects the country will agree with him in his wild animadversions upon the late Administration for not beginning railway construction at points which were for the time being inaccessible. The hon. gentleman has referred to the 134 miles of road built from Winnipeg westward. This is a very tender topic; one which I was surprised to hear the hon. gentleman mention. I would have supposed that he would have preferred the discussion of almost any other subject than this one. He knows that his colleague had located 200 miles of the road. The Syndicate have refused to accept the location. They said that it was bad. They set it aside, and chose a line for themselves. The eighty odd miles of road which he had built, they have abandoned. The Minister of Railways let a contract which paid so much more handsomely for ballasting than for grading, that I understand the contractor undertook to make the road bed with ballast. It was so well made that when the rains of autumn came, a considerable portion of it was under water, it can no longer be used; and there is now, a few miles from Winnipeg, a train frozen in the ice, and which has been frozen there since the early winter. There are some facts connected with this road which the House ought to know. We have a right to know whether the contractors were paid in full for a road built in this way. We have a right to know whether the Minister of Railways let a contract for the construction of a portion of the Pacific Railway upon plans and profiles so degraded that the road could only be used in the dry season of summer. I believe this statement is true. The Syndicate have found it to their interest to construct another line to Portage la Prairie and to abandon the line built by the hon. Minister of Railways. Who paid for the construction of this abandoned road—was it the Syndicate or was it the hon. Minister of Railways? What settlement has been made with the contractors of the second 100 miles who have not been permitted to go forward with their work? How was it the hon. Minister made such a mistake in the location of the road that the Syndicate found it necessary to abandon his line and to abandon all that has been done upon it? The hon. gentleman says that the Syndicate have now 134 miles built west of Winnipeg. I have good reason to believe that there is not one mile finished in such a way as to entitle the Syndicate to receive money or lands upon their contract, if that contract is strictly adhered to. Is it not a fact that a large portion of these 134 miles has been made by simply laying the ties upon frozen ground or on the ice? Is it not a fact that the road is neither graded nor ballasted

and that considerable portions of it must be unfit for traffic the moment the frost disappears and the spring opens? The hon. gentleman's statement, from beginning to end, can only serve to mislead. I am making no complaint against the Syndicate; they are men of great ability, who have gone into this railway as a commercial enterprise, who are studying their own interests, who are capable of understanding them, and who will do that—as they have a right to do—which they believe best for themselves. But the Government have not been equally mindful of the public interests, and the more the statements that the President of the Council has made, in reference to the Pacific Railway, is investigated, the more it will be found to be no ground for self-laudation. The President of the Council says that the present Administration have added \$100,000,000 to the wealth of the country, by keeping 100,000 Canadians at home. He informed us that 28,000 settled in Manitoba last year; and he adds that the Government have added \$28,000,000 thereby to the wealth of Canada. These are certainly novel calculations. There are not a hundred thousand people in Manitoba and the North-West. The Government have kept nobody at home. They have driven thousands abroad. According to the United States immigration returns our emigration thither was, in 1878, 21,474; in 1879, 31,156; in 1880, 99,000, and, in 1881, 125,000. The year 1879 was a year in which the Tariff was in operation for a little more than three months, and the emigration from Canada increased upwards of 10,000. The next year it was more than four times as great as it was in the year 1878, and during last year it was equal to the emigration for the five years for which the late Government held office. The hon. gentleman's arithmetic will, then, require to be reversed. Canada has lost, in the loss of her population, \$224,000,000, during the years 1880 and 1881. And what have we gained in population by the efforts of the hon. gentleman? It is the height of absurdity to count the Canadians who go from Ontario to the North-West as a population gained. I have never heard of such a calculation except in a single instance; and it is so much like the calculation of the President of the Council that I will mention it. He shall have whatever advantage it may afford him. On one occasion a school teacher gave a class of boys an exercise in composition. One of them wrote an essay about pins. He began by saying that pins were highly useful things, for they had been the means of saving the lives of thousands of people. The teacher was astonished, and he asked his pupil how thousands had their lives saved

by pins. "By not swallowing them," replied the boy. The Minister says the Government have added \$100,000,000 to the wealth of the country, and when we ask in what way he says, by keeping 100,000 Canadians at home, who are cheap at \$1,000 a piece. Why did the hon. Minister stop at \$100,000,000? Why did he not count the whole population, and he might have made the service of the Government to appear much more valuable. Although living may be dear at the present time, human flesh and blood is cheap at \$1,000 a head. A good steer is cheap at \$50, and an ordinary horse is worth \$100, and why should not an intelligent, industrious, sober young man, be valued at \$1,000 and placed to the credit side of the ministerial account? I am inclined to think that most young men will resent the ministerial calculation. I am inclined to think they will refuse to be put in the ministerial balance when the political day of judgment comes, and be weighed and sold for the advantage of the Government. The hon. gentleman may take whatever consolation he can get from the Trade and Navigation Returns. He may appeal to any monopoly that owes him gratitude; but he can hardly venture yet to look upon this country as a political slave market in which every man who ventures to go from one part of the Dominion to another part, is to have a value of \$1,000 put upon him, and then have this sum credited to the wealth-producing power of the Government and the National Policy. I am not sorry, however, that such a line is taken, and the result will be as well understood as the argument. The hon. President of the Council says that upwards of 21,000 additional hands have been engaged in manufacturing establishments since the introduction of the present Tariff. He says that these represent from 80,000 to 100,000 of an additional population. He ought to know that this is not the case. A very large number of these 21,000 are children. In many of the cotton factories, all the children of a family are engaged, and the number of the population represented by these 21,000 would be less than 50,000 in all. The annual increase in the number of those engaged in skilled pursuits before the introduction of the National Policy was more than double the number who had been added since. We ought to have had an addition of 44,000 instead of 21,000. It is not true, then, that the National Policy has helped us in this particular. Many mechanical pursuits have been seriously injured by the policy of hon. gentlemen on the Treasury benches. I have seen it stated that upwards of 90 per cent. of the stone-cutters have been driven from Ontario by the exclusion of Ohio freestone from the Canadian market. We do know that there has been

enormous emigration from the country; that it has far exceeded anything hitherto known in the country. It has not been simply an emigration of unprotected farmers and laborers, but mechanics and artisans have also gone away in great numbers. Let me here refer in this connection to some very important statistics given by the hon. the Minister of Finance. They are anything but encouraging, and the results which they give are so disappointing that I am inclined to believe they have, indeed, very little value. The hon. the Minister of Finance told us that, in the city of Hamilton, there were employed, in 1878, 3,703 persons; in 1881, 9,054; giving an increase of 5,351 hands engaged in the manufacturing establishments of Hamilton within three years. The plant, he says, in 1878, was \$538,100, and in 1881, \$1,174,750, an increase of 113 per cent. The aggregate production in 1878 was \$3,857,000, and in 1881, \$7,478,700. The hon. the Minister of Finance says that wages in 1878 were \$1.07 $\frac{1}{2}$ a day, and in 1881, \$1.17 $\frac{1}{2}$. Now, from these statements we see a great diminution per hand both of labor and of capital since 1878. The number of skilled laborers in the city of Hamilton have increased 144 per cent.; the value of the plant has increased 113 per cent.; wages have advanced $\frac{1}{2}$ per cent., while the production has increased only 91 per cent. The annual production in 1878 was 7 $\frac{1}{2}$ times the amount of plant; and in 1881 it was 6 $\frac{1}{2}$ times the amount of plant. The production per man was \$1,041 in 1878, and but \$824 in 1881; and, if the hon. the Minister of Finance is right, in 1881 the wages of the laborer amounted to the enormous sum of 43 per cent. of the entire value of the articles upon which the labor was expended. I find in the United States that the wages amount to but 18 per cent. of the value of the articles upon which the labor is expended. The hon. the Minister of Finance gives the additional skilled laborers of Canada, since the introduction of the present Tariff, as 24,875. Now, the annual value of the products of their industry, at the estimate of the hon. gentleman, would be \$19,906,000. But the Census of 1871 would give us \$29,000,000, or nearly 50 per cent. more than the United States Census returns would place upon the articles upon which the same amount of labor has been expended—the value of \$52,635,000. If the hon. gentleman is right, under the present Tariff the manufacturer produces goods to the value of \$824 per man. In 1871, the manufacturer produced about \$1,200 per man, and in the United States the manufacturer produces upward of \$2,000 per man. If the hon. the Minister of Finance's statistics are at all to be relied upon, we are in a condition of utter helplessness. If the United

States can produce \$2,100 worth of goods with the same amount of labor that produces \$824 worth of goods here—if \$43 out of every \$100 is required to pay wages here, and but \$18 out of every \$100 is required to pay wages there, it is as plain as noon-day that 100 per cent. protection would be wholly inadequate to exclude American goods. I do not believe that our industrial establishments are so disgracefully inefficient as the hon. gentleman has represented them to be. I believe the deductions which are suggested by his statistics, show that they are utterly worthless. In 1870, the value of the raw material used in manufactures in the United States was \$2,488,427,242. The wages of the laborers, \$775,584,343. The value of the manufactured products was \$4,232,325,442. We see that the value of the material is 59 per cent.; the value of the wages 18 per cent.; and the earnings of the capital 23 per cent. It would have been interesting had the hon. the Minister of Finance given us the value of the raw material used in the city of Hamilton. We have for wages, in Hamilton, 43 per cent., and if we were to put the value of the raw material at the same sum, we would have but 16 per cent. left to cover the deterioration of plant, the cost of fuel and the earning of capital. The total amount of the capital in buildings and plant, according to the hon. the Minister of Finance, is but \$248 per hand, which would represent an addition to manufacturing capital—of the Dominion, during the past four years, of but \$4,664,061—a much less sum than the estimated surplus of the hon. Minister for a single year. If the hon. Minister is right in the data which he has given us, the amount of capital invested in manufacturing pursuits is less than \$1,200,000 a year, being not much more than one third of the sum similarly invested ten years earlier. I would like to know whether the hon. Minister of Finance thinks the House ought to accept the statistical information which he has given us? I would like to know whether he is of opinion that the manufacturing establishments of Canada are producing goods to the value of but \$824 annually? Whether he thinks when he is shown that it takes nearly three men in Hamilton to produce as much as one man in Buffalo, he has proved the success of this policy? Whether he thinks that industry has been diverted into those channels where the largest measure of value is obtained by the smallest expenditure of capital and labor? I would like to know whether he does not think the information which he has undertaken to convey to the House is not wholly untrustworthy? It has been conclusively shown here that the attempt to give the manufacturers strength and vigor by a system of protection has wholly failed.

The hon. President of the Council has undertaken to show that in those States of the American Union where manufactures are established the farmer receives a larger return from his land, and he gave us the relative number of agriculturists and those engaged in other pursuits. In the State of Illinois, the number of agriculturists he says is 80 per cent.; of persons employed in manufacture, 20 per cent.; value of agricultural products, \$12.47 per acre; Indiana: agriculturists, 84 per cent.; others, 16 per cent.; products, \$12.47 per acre; Kansas: agriculturists, 81 per cent.; others, 19 per cent.; products, \$9.11 per acre; Connecticut: agriculturists, 65 per cent.; others, 35 per cent.; products, \$16.82 per acre; Delaware: agriculturists, 74 per cent.; others, 26 per cent.; products, \$15.00 per acre; Maine: agriculturists, 75 per cent.; others, 25 per cent.; products, \$13.51 per acre; Massachusetts: agriculturists, 55 per cent.; others, 45 per cent.; products, \$26.71 per acre; New Jersey: agriculturists, 66 per cent.; others, 34 per cent.; products, \$18.00 per acre; Pennsylvania: agriculturists, 70 per cent.; others, 30 per cent.; products, \$17.68 per acre; Rhode Island: agriculturists, 56 per cent.; others, 44 per cent.; products, \$29.32. Now, I may say, that the statistics of the hon. gentleman are wholly inaccurate, and if they were accurate they would be utterly valueless for the purpose for which he has used them. The hon. gentleman has left out of sight altogether the difference in the density of population, and he has also omitted the difference in value, depending upon the cost of transportation. Almost every kind of farm product has a higher value in Massachusetts than in Kansas, just as it has a higher value in Halifax than in London or Hamilton. Oats are worth more in Prince Edward Island than in Ontario, not because Prince Edward Island is a manufacturing Province and Ontario is not, but because it is nearer the market where the surplus oats are sent for consumption. But I find from the Census of the United States of 1870, the last which are available for this purpose, that the figures of the hon. gentleman are all wrong. I find that Massachusetts has but 73,000 of her population engaged in agriculture and she has 507,000 engaged in other pursuits. I find that Illinois had 375,000 engaged in agriculture, and 367,000 engaged in other pursuits. I find too, that the value per acre of farm products is not at all what the hon. gentleman represented it to be. I find that the value of farm products per acre was, in Illinois, \$10.93; in Indiana, \$12.20; Kansas, \$14.21; Connecticut, \$16.56; Delaware, \$11.42; Maine, \$11.33; Massachusetts, \$11.03; New Jersey, \$22.10; Pennsylvania, \$15.90; and in Rhode Island, \$17.38. I find that the number of acres of cultivated land has, in Connecticut,

diminished during the decade between 1860 and 1870, 184,000 acres; in Massachusetts, 1860 and 1870, 88,000 acres, and in Rhode Island, 1860 and 1870, 46,000 acres. I find that the value of farm lands in the New England States has fallen, and that none of those results, which are so frequently pictured in glowing terms, as the consequence of extensive manufactures, have there been realized. The hon. gentleman has referred to the shipping interests of Canada and of the United States, and he has endeavored to show that the shipping interests of Canada are in a satisfactory condition. The testimony against him on this point is unanimous. We have had a great many attempts made to explain the decline of American shipping. We were told for some time that it was due to the piratical enterprises of the Alabama and her consorts. But, after all such piratical raids had come to an end, the decline continued; and when it was no longer possible to assign such a cause it was then attributed to iron ship-building. But Canada built wooden ships, Norway built wooden ships, Italy built wooden ships, and the tonnage of all these countries continued to increase. Their commercial marine prospered in spite of the iron ship building of the United Kingdom. No sooner, however, is a highly protective Tariff adopted here than our ship building begins to decline, and our tonnage is diminished, and hon. gentleman opposite import from Washington a reason just as they imported from Washington a tariff. Do they suppose that the House or the country will believe them? Do they suppose they can make the people believe that iron ship building, which did us no harm down to March, 1879, has suddenly become injurious since that period? How is it that iron ship building in England wrought such havoc with ship building in the United States at least ten years before it did any mischief here? How is it that we did not suffer from it sooner? How is it that neither Norway nor Italy suffer from it now? Do hon. gentlemen suppose they can persuade the people of this country to accept their reasons which they assign for the decline of a most important industry, as well as for the decline of our commercial marine which has hitherto been the pride of Canada? The hon. President of the Council has undertaken to explain the smallness of American manufactured exports, by saying that the United Kingdom is a very small country and the United States is a very large one; and that the only fair way to make a comparison is to mark out the size of England in the north-east part of the United States and to count all that is consumed elsewhere, exports. This, indeed, is almost a novel style of argument, I remember only one

proposition like it. Curran, on one occasion, was engaged in a duel with a gigantic member of the Irish Bar, who complained that he was not fighting on terms of equality. He said Curran was a very small man and was much more difficult to hit than he. "We will chalk out" said Curran, "a figure of my size on you and all shots outside of that shall not be counted." If the United States have a larger territory they have also a very much larger population, and the 16,000,000 of excess in population are carrying on domestic manufactures for themselves, as well as the 36,000,000 which the hon. gentleman is willing to count. The business of manufacturing cotton is of very modern growth. It began in England and the United States about the same period of time. The United States had the advantage in a domestic supply of the raw material. For a time England had cheaper capital. At this moment there are 40,000,000 of spindles in England and about 9,600,000 in the United States. The United States are not supplying their own population. England is supplying nearly 300,000,000 of people outside the United Kingdom. In England there are 468,000 hands employed in the manufacture of cotton, or nearly ninety spindles to each hand. Now, when I look at the returns which have been submitted to this House, I am forced to the conclusion that they are either very inefficient or the information which has been given is calculated to mislead rather than to inform us of the actual state of things. The hon. Finance Minister has brought down a return which shows that since 1879 four new cotton factories have been established in the country, one at Brantford, employing 120 hands. One at Hamilton employing 125 hands, one at Coaticook employing 230 hands, and one at Cornwall employing 225 hands, in all 700 hands. The Commissioners which the hon. gentleman appointed say they inspected thirteen cotton factories employing 4,021 persons. Those figures show that the tremendous stimulus of 40 per cent. has not produced so rapid a growth of those factories as we might have expected. But what I desire specially to direct the attention of the House to, is this: that, according to the English Standard these 4,021 hands ought to represent 390,000 spindles, but instead of doing so the hon. Finance Minister informs us that there are but 106,000 or 108,000 cotton spindles in Canada, and I am not at all sure that there may not be many more cotton factories in the country than those visited by these gentlemen. We see that even if this represents the whole number, that labor and machinery in Canada, is to labor and machinery in England, as 26 is to 90. Now, when the hon. gentleman tells this House that the people of Canada are getting

cotton goods cheaper than they ever got them before he is making a statement which it is impossible can be true. No such waste of capital and skill can be reconciled with the statement of the hon. the Finance Minister. The President of the Council disputes the proposition of the hon. member for Centre Huron, that our imports would have yielded us a sufficient revenue under the old Tariff to have enabled us to meet the expenses of Government if economically administered. This the hon. Minister denies, but it is plain to every one that if we would not have imported so largely, then the present Tariff has wholly failed in its main purpose, which is to exclude foreign goods from the Canadian market. The hon. Minister says that if we obtain as much Customs business under a low Tariff as under a high one, we are burdened as much by the one as by the other. I deny his proposition. I am astonished that he should make it. He will find no authority to support him. Facts and reason are equally against him. If the Government put a duty upon coffee and tea, whether it be high or low, the public get the tax, except it increases the price of some other article which is in part substituted for them; but I know none such. But this will not hold good with regard to spirits. We put Customs duty upon imported whiskey. Do we stop there? Not at all. We say to the distiller, we have imposed a duty of 80 cents a gallon on imported whiskey. The price of your home made article is in consequence advanced 80 cents a gallon, and this sum belongs to us. It is no part of the price which you by your labor and industry give the article. It is an additional price given by an Act of Parliament, and we shall appropriate it to public uses. Now that would not be the less a tax if the Government neglected to take it. It would be received by the distiller instead of the Excise officer; but it would be paid by the public all the same. The hon. Minister of Finance imposes a duty upon bread stuffs. He tells the producer, that, in consequence of this Government interference, he gets a higher price. He tells or should tell the consumer, in consequence of this interference, you are paying an Excise duty to the producer of domestic flour and cornmeal, and to the Government on imported flour and cornmeal. Is not this so? If this contention be correct, then the burden is the same upon the consumer of the domestic article as it is upon the consumer of the imported article. The public pay the tax; but, because the Government do not receive it, the Minister refuses to consider it a tax. It is the measure of duties imposed, and the articles upon which they are imposed, by which the amount of taxation is to be determined, and not

by the amount of Customs duties paid into the public Treasury. The hon. gentleman will not deny that he promised, by legislation, to increase prices. He will not deny that, upon the products of this country, those increased prices have been paid by the consumers of this country, and if so they have burdens imposed upon them. They are compelled to pay tribute money to their fellow countrymen, although it does not appear among the sums collected. I do no care to pursue so elementary a subject further. I have said enough to show this House that if the Government are at all right in their contention, the amount of taxes collected is not a measure of the taxations imposed—I dispute their propositions—I say they are alike contrary to reason and experience. I say they have not benefitted the producer, but they have burdened the consumer. Let us look for one moment at the agricultural products of the country. These gentlemen have told the farmers, we can help you by a tax on American cereals. Barley came free from the United States into Canada; barley was taxed 15 cents a bushel in going from Canada into the United States. What happened? The Americans have increased the quantity of barley produced in their country, during the last ten years, nearly eight fold, and the result is that the demand for Canadian barley has largely fallen off, and barley in western Ontario, at all events, has dropped again out of use as a farm product or branch of agriculture.

Mr. ORTON. There was more barley grown last year than in 1878.

Mr. MILLS. No; nor was there more wool grown. The price of wool has diminished till at the present time the market value is less than 25 cents. I believe the average market value in Ontario last year, of Canadian wool was 22 cents per lb.

Mr. PLUMB. The alpaca was manufactured.

Mr. MILLS. The hon. gentleman, if a consistent protectionist, would insist upon a high duty on foreign wool; and if the duty was only made sufficiently high the farming population of Canada would give up the growing of combing wool and turn their attention to the growing of fine wool. But so long as there is no duty on foreign wool they find the growing of combing wool the more profitable of the two.

Mr. ORTON. I think there is a duty on all kinds of wool that compete with Canadian wool.

Mr. MILLS. The hon. gentleman knows there is no duty on any wool that competes with Canadian wool, though

there is a duty on wool that does not. If the Government would exclude the wool that competes with Canadian wool, I understand that the woollen manufacturers will be obliged to work up the Canadian wools, and the public would be obliged to wear the cloth produced from them. But the Canadian Government takes good care to impose duties on those articles not to be affected by the taxation. Some have a tax on barley because none is imported into Canada. There was no barley brought in before except what was imported to keep the seed from deterioration.

Mr. ORTON. How about oats?

Mr. MILLS. Does the hon. gentleman say that it affects the price?

Mr. ORTON. Yes.

Mr. MILLS. I know that in the section in which I live the value of oats has been increased, but it was increased before the adoption of the National Policy, by the building of oat mills, which made it possible when the oats were converted into meal to transport them to a distance in that form profitably, which cannot be done while the oats are unmanufactured; and some oat mills have been shut up by the Tariff because they could not get the necessary supplies to keep them running throughout the year. I return to the subject: were we overrun in consequence by the importation of American barley? Was all the produce of that other barley farm to which the First Minister so frequently referred, a few years ago, imported into Canada? No, except small quantities imported to improve the yield. We did not import from the United States; large quantities were exported thither from this country. Why? Because they produced less than they required, and we produced more than we could well consume. Every one knows that the tax on barley has not been of the slightest consequence, except to inconvenience the farmers who which, to prevent degeneracy of the product by an importation of seed. Now, when we come to manufactured goods, where the home production is less than sufficient to meet the home demand, there can be no doubt whatever that the tax will increase the price, in many cases, to the amount of taxation. It was for this reason, mainly, that an increase of duties was demanded. Every one who chooses to exercise his common sense will see that this must be the case; and yet the hon. gentleman proclaims that his Tariff has not failed; that prices have not been increased; that goods, wares and merchandise, were never so cheap as now. A short time ago the Americans had a very high duty on quinine. It was repealed, quinine was placed on the free list, and it is now in the American market sold at one half the price it brought four

years ago. Then it was smuggled from Canada into the United States. Now it is smuggled the other way. Steel rails not long ago were, in London, bringing about \$30 a ton, and in New York they were \$35 a ton dearer. The tax amounts to \$24 a ton and the freights and charges to about \$5 more. Will any one deny that the difference between the prices of London and New York are due to the extent of \$28 to the American Tariff? The hon. Minister of Railways has referred to the coal Tax, and he says that the Americans paid the duty on coal. Now, Prescott and Ogdensburgh are but a mile apart. The coal which sold a few days ago at Ogdensburgh at \$5.75, brings at Prescott \$1.65. The coal which at Windsor sells at \$7.50, sells at Detroit at \$6.75. Will the Minister tell the House that it will cost 99 cents to bring coal across the St. Lawrence; Does he think that any one would pay \$6.65 if he could buy at 5.75 at Ogdensburgh, and get the duties paid? The difference in price before the tax was imposed did not exceed 30 cents. It is now 90 cents. What makes the difference? The Minister says that to obtain the same amount of revenue under the old Tariff we would need to import \$21,000,000 worth more goods. The Tariff has, therefore, shut \$21,000,000 worth out of the country, and has given a home market to this extent. I wholly dissent from this statement. The purchasing power of the people in any one year is a fixed quantity. If you increase the price of all they eat, and of all they wear, of fuel and of light, a large portion, if not the whole, of \$21,000,000 is taken to pay this additional price leaving but a small sum if any for additional purposes. Every one must see that if hon. gentlemen have succeeded in securing better prices to producers, it is plain that more money will be required to purchase the same amount of commodities. The hon. member for Cardwell told us that the manufacturers of sewing machines in the United States sold them to Canadians for less than they did to their own citizens, that they always deducted the duties; so that if his statement is accurate, American sewing machines can now be imported into Canada as readily as if there was no duty at all. Both the hon. gentleman and the hon. Minister of Finance have said that no kinds of manufactured goods were as cheap in 1873 as they are to-day. Higher wages are paid; labor is less efficient, and yet every man is better off? The hon. member for Cardwell told us last year that sugar was never so cheap as it has been under the present Tariff. He has told us, if I remember rightly, that it is from 40 to 60 cents per 100 lbs. cheaper than before 1879. The hon. the Minister of Finance has said the same thing about cottons. Now what follows?

That Canada never was a sacrifice market; that English and American goods were not sent in here and sacrificed. Mr. Drummond, of Redpath's firm, informed us, in 1876, that we were getting American sugars at less than their actual cost, because the American refiner was paid a bounty by his Government. Now, we are told that Mr. Redpath is furnishing us with sugar at a lower price than the price of 1878, although that was below cost; that he is paying higher wages, and that he is doing a prosperous business! The same story is told of cotton manufactures—that it is prosperously lower now than the ruinously low prices of 1878; and yet these lower than bankrupt prices are producing handsome profits! I would like to ask the President of the Council what he has to say to this? Can he find no couplet from Biglow or Butler which will properly characterize the statement of his colleague? I have already pointed out the extraordinary features of the hon. Minister of Finance's statistics. Let me here notice the efficiency of our sugar refining. The hon. gentleman's commissioners visited four refineries in which they say 885 men are employed. Mr. Gladstone says, thirty-nine men will refine 100 tons of loaf sugar every week, or 292,000 lbs. per man each year. If we take the mixed sugars of the United Kingdom we find that 5,174 men refine 1,822,000,000 lbs., or 350,000 lbs. to each man employed. Now, if the information furnished the House by the hon. Minister of Finance is at all to be relied upon, that we have 885 men engaged in the refineries, they ought to turn out 300,000,000 lbs. of ordinary refined sugar, nearly three times the amount refined in Canada. The hon. Finance Minister has made a statement which shows that the refineries here, either owing to the defectiveness of their machinery or to some other cause, are producing not more than one-third of the quantity produced in the United Kingdom with the same amount of labor. I ask this House to say whether such labor is well employed? I ask it to say whether the country is not compelled to pay for this inefficiency? It may be that these refineries are not so wretchedly managed as the hon. Finance Minister would have us believe; but if they are not, is it not plain to every one that this House has wholly unreliable statements laid before it? It is impossible that this statement can be true. It is impossible to believe that men greedy of gain—anxious to grow suddenly rich, would so mismanage their business, as to employ three men to do the work of one. I observe that the hon. Finance Minister, in his Budget Speech, estimates the increased consumption of Canadian wool at upwards of 1,000,000 lbs. He says, that the exports in 1878 were 2,445,893 lbs. and, in 1881,

1,404,123 lbs., and he concludes from this fact that the difference is due to a larger quantity of Canadian wool being used in manufacturing. I do not think this is the case. My opinion is, that the number of sheep kept by the farmers has been very greatly diminished. The farmers of Canada turn their attention to the production of whatever pays them the best for the time being. Until the appearance of the wheat midge, the western portion of Ontario was largely devoted to the production of winter wheat. When the American war began, sheep raising and the growth of barley took the place of the growth of wheat. In 1860, there was less barley grown in the United States than in Canada. Within ten years the farmers increased their growth of barley eight-fold. The price of barley was greatly reduced. The price of Canadian wool has fallen year by year. Combing wool, last year, was not worth more than 22 cents, and the result is, that sheep raising and barley growing have ceased in the West to be agricultural productions. The dairy business, which, for a few years, was a leading branch of agricultural industry, has again fallen into the back-ground, and, during the past five years, the sale of wheat exceeds in value that of all other farm products taken together. I do not say that this is the most satisfactory method of farming, but I am simply stating a fact. A better price for oats has prevailed during the past six years than before, but it has been wholly due to the erection of oat-mills, which send the meal to the Scotch market. I have no doubt whatever, if the hon. the Minister of Finance were to put a duty of 10 cents a pound on fine wools, the Canadian manufacturers could be supplied with home grown wool; and if his theory had any value in his own estimation he would have done this. The hon. member for West Toronto has referred to the fact that manufacturing industries have been recently extended, and he attributes the large consumption of home-grown articles to the exclusion of foreign products. This has been a favorite style of argument upon the other side, and yet a very cursory examination of the facts will show it to be most fallacious. The hon. gentleman admits that the importations of the past year were very much greater than in 1878. The imports for 1881 were \$105,330,840, and for 1878 \$93,081,427. Hon. gentlemen on the other side have all along argued that the demand for home productions in 1878 was less than in 1881, and yet the foreign importations of 1881 exceeded those of 1878 by more than \$12,000,000. If we take the years 1872-73, which hon. gentlemen referred to as a most prosperous year, we find that the imports exceeded in value \$128,000,000, being \$35,000,000 more

than the year 1878, and yet hon. gentlemen do not say that the home manufacturers were driven to the wall in those years by excessive importations. The fact is that home and foreign products are, to a great extent, complements of each other. They are alike necessary to complete the assortment of the necessaries and the luxuries of life in this country. When the purchasing power of the community is from any cause diminished it effects this assortment all round. When there is a diminution of imports, there is also a diminution in the demand for home manufactured articles; and the years of the smallest imports are also the years in which home manufacturers are in least demand. It is because the same causes are operating with reference to each. The member for West Toronto has said that the question of Free Trade and Protection are not put in issue by this Tariff. That we all admit that there must be Customs duties, and it is a simple question as to the articles upon which those duties shall be imposed. I quite admit that the issue between us is not whether Customs duties shall or shall not be abolished. No one has spoken in favor of Free Trade on this side in the sense of wholly removing the shackles of commerce. It is not a question as between direct and indirect taxation, and the hon. member is only dealing candidly with this side of the House when he recognizes that fact. I have never hesitated to say, if a tax of 20 per cent. is necessary to meet the necessities of the Government, then I am ready to favor a tax of 20 per cent. If we cannot get on with less than 25 per cent, then I am in favor of 25 per cent. I set out with this proposition, that taxation in no form can in itself be anything else than a burden on the people; that it should be imposed only for public purposes and used only for the public benefit. There are certain canons which I ought to observe, I think, in the imposition of taxes. They should be imposed so as to take as little money from the people beyond what finds its way into the public Treasury. It should be distributed fairly as between the Provinces; it should be borne by the population in proportion to their ability to pay; it should be so imposed so as to interfere with commerce as little as possible. Now, in our estimation all the burdens we impose on the population who are expected to bear them, they are not benefits. It is not money that goes into the public Treasury. It is not a tax to be justified by the benefit obtained. It is not applied in the public interest, but it is a tax imposed on one section of the population for the benefit of another section.

Mr. ORTON. I would ask whether it is not better, then, to propose a tax that gives the benefit to the farm producer?

Mr. MILLS. If the hon. gentleman thinks it is better he can undertake to establish that proposition, but I will undertake to say it is worse. Now, if the hon. member for West Toronto will consider these propositions, he will see that they are violated by the present Tariff; he will see that every one of them we are at issue with his friends, and that we have on our side every distinguished financier from Mr. Huskisson to Mr. Gladstone. His friends sometimes deny, and sometimes affirm, that taxation is in itself a burden. When British Columbia was admitted into the Confederacy it was said that taxation was a burden and this burden should not be increased for the purpose of giving effect to the terms of Union. When this Tariff was promulgated, a different doctrine was laid down, and it was said that, by a tax on coal, the industry of Nova Scotia would be revived, and by a tax on breadstuffs, the farmers of Ontario would be made prosperous. Here we have the theory enunciated that no matter what may be done with the taxes, the country is helped by their imposition. It is not their judicious expenditure which is to help the farmer and the miner, it is their imposition. Now, from this doctrine I dissent. They who promulgated it are the doctrinaires—the visionary theorists, who, like the hon. member for Cardwell, mistakenly suppose themselves to be practical men. I would like to ask the hon. member for West Toronto, whether this is not a very distinct issue between us? Taking the position that taxation is a public burden, we say the rich ought to bear their fair proportion. Do they do so? We deny that they do. Cheap cottons are far more heavily taxed than dear ones. Cheap woollen goods bear nearly double the tax of more costly goods. Cheap woollen or cotton goods are far more heavily taxed than the most expensive silks. If taxation is, in itself, a benefit then it may have been well to have measured out to the poor a double portion; but if it is not in itself a benefit, but a burden, a very different policy should be adopted. I have never, for one moment, doubted that any branch of industry might be stimulated by a sufficient bounty directly or indirectly given. But I have always contested the wisdom of undertaking to direct that which I believe is best left to the intelligence of our population. I do see serious dangers and difficulties in our road. I see that many branches of industry are approaching very closely to the line which separates prosperity from disaster. No one who has compared the manufactures of Canada with the manufactures of the United States, during the period of depression, can have failed to observe how many failures there was in that country, and how few there were here. The liabilities of those who failed of all classes in Canada, in

1875, were about \$26,000,000; and if we leave out boot and shoe makers, who were practically without any foreign competition, the manufacturer did not fail for more than 2 per cent. of this amount. I will venture the prediction, if a matter in itself so certain can be called a prediction, that another crisis must produce a very different result. Why did our manufacturers pass so successfully through the last crisis? Because they have grown up to meet the requirements of the country. They adjusted themselves to the local needs of the population, and their productions in but few instances exceeded the minimum requirements of their customers. The variable complement was the foreign import. In 1878, our boot and shoe manufacturers supplied 91 per cent; the woollen manufacturers, 85 per cent. in their own lines. Saddle and harness makers, 99 per cent.; carriage manufacturers, 99 per cent.; merchant tailors, 95 per cent.; the manufacturers of agricultural implements, at least 95 per cent. Now there is not much room left in those industries for expansion beyond what is afforded by the growth of the country in wealth and in population. I say, apart altogether from the question of injustice done by duties in excess of the public requirements, you are misdirecting the capital of the country. We have only to look at the Trade and Navigation Returns to see how much the purchasing power of the country varies. In 1873, our foreign trade amounted to nearly \$218,000,000. In 1879, the most gloomy year since Confederation, it was \$64,000,000 less. Now, there was a corresponding difference in our domestic and interprovincial trade; that is, a variation equal to 25 per cent. If we produce to the full extent of our market in years of prosperity, is it not evident that, in a year of depression, there must be great industrial disturbances? The number of employes in the more wealthier mills and factories will be diminished, and many of the weaker establishments will be closed. Is it nothing to have a large fixed population thrown out of employment? Is it nothing to have a large amount of capital, which, at frequently recurring intervals of time, is left wholly unproductive? Yet it is towards this destination we are hastily advancing, and the more apparent the success of the hon. gentleman's policy, the more certain is it that disaster must come. If our manufacturers had been allowed to obtain a safe foothold at home, if they had been allowed to manufacture under such favorable circumstances that they could have felt their way securely into foreign markets, then they would themselves, by crossing the frontier barriers, have protected their interests against the dangers of a contracted domestic market. I need not say more upon this point. We have no feeling of hostility to the manufacturing classes. We

desire their prosperity, and we have marked out the line by which alone that prosperity can be made secure. We seek to promote the well-being of the whole people, and we adopt the policy which reason and experience alike demonstrate to be the necessary means to that end.

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